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Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER

Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA

Division Director

October 20, 2014

Kory Love
K & K Rock Inc.
2494 North Fort Lane
Layton, Utah 84041

Subject: Cultural Resources Survey and Reclamation Surety Required, K & K Rock, Inc., K&K Rock Mine, S/029/0010, Morgan County, Utah

Dear Mr. Love:

The referenced Notice of Intention to Commence Small Mining Operations (NOI), received by the Division of Oil, Gas and Mining on October 2, 2014, is complete **with the exception of the cultural resources survey, reclamation surety, and reclamation contract requirements.** The required reclamation surety is \$28,000 for a three-year escalation (surety amount next reviewed in 2017) or \$29,100 for a five-year escalation. This was determined based on information in the following table.

Small Mine Operation Bond Calculation Worksheet S/029/0010			
3-year escalation (2017)			
Item	Qty	Unit Cost	Total Cost
1st Acre Disturbance	1	\$8,000.00	\$8,000.00
Add'l Acres Disturbance	4	\$5,000.00	\$20,000.00
Mob/demob over 51-100 miles	0	\$1,400.00	\$0.00
Portal Closure	0	\$2,000.00	\$0.00
Shaft Closure	0	\$3,000.00	\$0.00
TOTAL			\$28,000.00
5-year escalation (2019)			
Item	Qty	Unit Cost	Total Cost
1st Acre Disturbance	1	\$8,300.00	\$8,300.00
Add'l Acres Disturbance	4	\$5,200.00	\$20,800.00
Mob/demob over 51-100 miles	0	\$1,400.00	\$0.00
Portal Closure	0	\$2,000.00	\$0.00
Shaft Closure	0	\$3,000.00	\$0.00
TOTAL			\$29,100.00

Please submit the cultural resources survey, reclamation surety and reclamation contract within the next 30 days. No mining related disturbance may be created until the surety is received and approved and you have received written acceptance from this office as well as other applicable agencies.

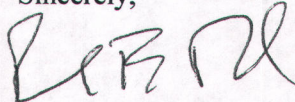
Kory Love
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The reclamation surety can be submitted in one of several forms, including, an irrevocable letter of credit, a certificate of deposit, cash or a surety bond. Please contact Penny Berry at 801-538-5291 or by e mail at pennyberry@utah.gov for assistance in completing this requirement.

The reclamation contract form is available on the Division's web site at https://fs.ogm.utah.gov/PUB/MINES/Minerals_Related/FORMS/MR-RC-SMO.pdf.

Please contact Leslie Heppler at 801-538-5257 or me at 801-538-5261 if you have questions regarding this letter. In reply please refer to file number S/029/0010.

Sincerely,



Paul B. Baker
Minerals Program Manager

PBB:lah:pb
cc: Morgan County Grant@morgan_county.net
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